



SMALL BUSINESS ADVOCACY COUNCIL

Minutes of the meeting held July 28, 2015
8:30 am – 10:00 am

Commerce RI
315 Iron Horse Way
Providence, RI

ATTENDANCE:

Lieutenant Governor Daniel J. McKee

Manuel Batlle, RISBDC @ URI

Steve Boyle, Cranston Chamber

Ron Caniglia, Stand Corp.

Christopher Carlozzi, NFIB

Sherri Lynn Carrera, RI Commerce

Deedee Chatham, URI Research Foundation

Ralph Coppola, Meridan

Jessica David, RI Foundation

Mark Deion, Deion Assc. & Strategies

Maureen Ewing, Secretary of State's Office

Gary Ezovski, Lincoln Environmental

Raymond Fogarty, John H. Chafee Center for Int'l Bus.

Mary Gervais, Center for Women & Enterprise

Barbara Goodrich, Lt. Gov. Office

John Gregory, Northern RI Chamber

Mark Hayward, SBA

Dan Jennings, Commerce RI

David Lucier, Lucier CPA

Terry Martiesian, Martiesian Law Assoc.

Dr. Edward Mazze, URI

Bill McCourt, RI Mfg. Assoc.

Jerri Moon Cantone, JMC Photograph

Erika Niedowski, Lt. Gov. Office

Anthony Silva, Lt. Gov. Office

Nancy Scarduzio, DOA-Mgt & Reg. Reform

Liz Tanner, Commerce RI

Melissa Travis, HealthSource RI

Grafton Willey, CB Tafias

CALL TO ORDER:

The meeting was called to order at 8:33 a.m. by Lieutenant Governor Daniel J. McKee
All those present were asked to please sign in.

OPENING COMMENTS:

Lieutenant Governor McKee informed the group that Secretary of State Gorbey was unable to attend this meeting. He stated that he is pleased at the positive interaction between the State Officers.

APPROVAL OF THE MINUTES:

The minutes of the March 31, 2015 meeting were approved by the council.

COMMITTEE REPORTS:

There were no committee reports.

UPDATES FROM LIEUTENANT GOVERNOR MCKEE:**PUC/National Grid**

The Lieutenant Governor explained that he began intervening on behalf of small businesses (as far back as December 2014 in the capacity of Lieutenant Governor-Elect) with the PUC and National Grid regarding energy costs, in particular the billing adjustment for choosing another energy supplier. His office, in conjunction with the Attorney General, continued this process, and this month the PUC agreed that the billing adjustment be dropped. This will potentially provide a valuable savings to small businesses and residents, and this savings should put monies back into the economy. He further added that he hopes at the next SBAC meeting he will be able to share a website that is presently under development that will allow ratepayers the opportunity to explore comprehensive information regarding all the energy suppliers and enable them to make an educated choice. Lieutenant Governor McKee told the council that only 6% of Rhode Island residential customers have taken advantage of the competition; 40% of customers do in Pennsylvania, where a similar website is available. The website will be available for both commercial and residential ratepayers. The Lieutenant Governor estimates the savings for the small business community in Rhode Island could be as much as \$500,000 a year. He added that the General Assembly and the Governor's office were supportive of isolating money in his office's budget to continue with these critical interventions.

When asked if ratepayers should be considering switching carriers, Lieutenant Governor McKee suggested holding off a little longer until the website is up and running. He noted that the website is a tool for Rhode Islanders so that we will continue to advance RI forward. One of the goals of his office is to assist in areas where small businesses can take advantage of savings and improvements. He encouraged members of the council who know of an area regarding public utilities that are impacting small businesses to please make his office aware.

The Lt. Governor noted that Governor Raimondo and the General Assembly also have eliminated the commercial energy sales tax. He stressed that this is a huge deal and will result in an estimated \$20M savings per year to the small business community.

A brief discussion took place concerning energy costs, specifically the higher cost for electricity than natural gas. The Lieutenant Governor said his door is always open to any member concerns.

Thumbtack Round Table:

As he had previously touched upon at the last meeting, Lieutenant Governor McKee gave a brief history on the Thumbtack initiative. This company surveys participating businesses in states across the country on small business friendliness. Thumbtack has continually given the State of Rhode Island a grade of "F". During his campaign the Lieutenant Governor called the company and asked them to give him three things that the state needs to work on. After getting into office, he called again to invite the California based company to come to Rhode Island to discuss the reasons for the poor grade. Thumbtack agreed and came to Rhode Island at their own expense. The L.G. office set up a roundtable event with small businesses (including some that had given the state an F), municipal leaders, the Governor's office and Thumbtack. Amica provided the facility.

The Lieutenant Governor's office had a video produced to explain the event and its mission. The SBAC viewed a draft of the video at the meeting.

Dr. Mazze attended the round table and stated that in his opinion the event was productive in terms of opening the discussion and taking a step forward toward bringing business people together with policymakers. He continued that one issue evident with Rhode Islanders is they have a difficult time celebrating successes. The usual topics were covered at the roundtable such as taxes, regulations, and "what can government do for me?" Dr. Mazze elaborated that he felt this initiative was a very good step toward moving forward, and he is proud the Lieutenant Governor took the initiative to take this on. He is excited that Lieutenant Governor McKee is sincere about helping small business. This is a process and a start in the right direction. Again, he noted that we need to be more positive in our outlook.

In summary, Erika Niedowski informed the council that the next ranking will be another F but perhaps there will be an acknowledgment of our efforts and a collaboration in process. There have been several follow-up meetings on the administration side to make sure we are on the same page and taking steps to improve business friendliness. In further discussions with Thumbtack, we have asked them to serve as a conduit for us to communicate with their businesses and they have accepted. The first mailing will hopefully launch mid-August to service professionals when the new ranking comes out to allow them to see the efforts that are underway to "Advance RI." Responders will have the opportunity to opt in to receive information specific to Rhode Island. Ms. Niedowski noted that we have to earn these upgrades in order to achieve a positive impact. Lieutenant Governor McKee said he hopes to expand the Thumbtack group when they reconvene and include SBAC members. He wants to be in in step and in full collaboration with the Governor and Commerce on these efforts.

A discussion ensued as to why this council would assist in being a cheerleader to help a San Francisco based company when there are many membership based groups in this room. The Lieutenant Governor concluded the discussion by stating this is not an exclusion but we need to change it up so that we move forward to achieve overall improvement. This ranking is not good especially on a national level and this

initiative will help Rhode Island. He is asking the SBAC to engage in a way that will result in an improved grade and, therefore, improve our business environment.

OLD BUSINESS:

A point of discussion took place noting that this council has many times in the past identified problems, met with legislators and executive officers, sought support from respective businesses and was still unable to make changes.

NEW BUSINESS:

The Lieutenant Governor has been meeting with the executives of all the RI Chambers. He also attended the National Lieutenant Governors Association Annual Meeting in Indianapolis and met with the L.G.s from other states to get feedback on some of their successful business strategies and initiatives. He said Kentucky has created entrepreneurship strategies that have serviced 2,000 businesses and their business rankings have soared from the high 40s to single digits in just one year on one entrepreneurship survey. He added that he hopes to visit Kentucky in the near future to further explore their strategies.

Liz Tanner, V.P. of Client Services, Commerce RI, addressed the council and informed them of the three initiatives that they are implementing in either September or October. They are as follows:

- 1. Developing a Business Navigation Center**

This is a concierge-type Service that will point prospective business owners in the right direction to establish their business and/or walk existing businesses through the process.

- 2. Establishing a STAT Team (Statewide Action Team)**

This team will consist of representatives from agencies across state government related to business; responses will be given within 48 hours in emergency or critical situations

- 3. Town & City Initiative**

Ms. Tanner noted that they are helping municipalities streamline registry of smaller businesses. She has been working with all government agencies and will be making site visits to cities and towns to observe their process. The goal is to avoid duplication of regulations for municipalities and state and establish an efficient process.

It was noted that the Quick Start Program started by Secretary of State Mollis is still in existence and continues to be improved through collaboration between Commerce and the Secretary of State's office.

Ms. Niedowski stated that Commerce Secretary Prior and Director of Business Regulation McCleary would hopefully attend the next SBAC meeting. Also, once the Thumbtack assessment has been completed, the detailed report will be shared with the SBAC.

Lieutenant Governor McKee stressed these are all worthwhile endeavors and asked SBAC, Chambers and trade associations to support these incentive programs. He stated we need our members to get excited about the work that is being done and be proactive to "Advance RI."

ANNOUNCEMENTS:

It was announced that the DBR will be holding a hearing on crowdfunding on August 27. This will provide an opportunity to comment on regulations.

ADJOURNMENT:

The meeting adjourned at 9:51 am.

Respectfully submitted,

Barbara Goodrich
Executive Assistant to Lt. Governor Daniel McKee

***PLEASE NOTE:**

This meeting was held on July 28, 2015. There was a typographical error on the agenda, listing the meeting on July 23, 2015. All members were properly notified of the July 28th date, both with save the date notices and reminders.